REMARKS

This response is intended as a full and complete response to the non-final Office Action mailed October 31, 2006. In the Office Action, the Examiner notes that claims 1-64 are pending and rejected. By this response, Applicants have amended claims 1, 5, 6, 13, 26, 34, 43 and 59.

In view of both the amendments presented above and the following discussion, Applicants submit that none of the claims now pending in the application are anticipated under the provisions of 35 U.S.C. §103. Thus, Applicants believe that all of the claims are now in allowable form.

It is to be understood that Applicants, by amending the claims, do not acquiesce to the Examiner's characterizations of the art of record or to Applicants' subject matter recited in the pending claims. Further, Applicants are not acquiescing to the Examiner's statements as to the applicability of the prior art of record to the pending claims by filing the instant response including amendments.

I. SPECIFICATION OBJECTIONS

The abstract of the disclosure is objected to because it exceeds 150 words. Applicants have amended the specification to reduce it to fewer than 150 words. As such, the objection should be withdrawn.

II. CLAIM OBJECTIONS

Claim 5 is objected to because on line 2 the word "risks" should be --rules--. Applicants have amended claim 5 as suggested by the Examiner. As such, the objection should be withdrawn.

III. REJECTION OF CLAIMS 1-64 UNDER 35 U.S.C § 102

A. <u>Claims 1-13, 15-33, 43-50, 52-54, 56, 57, and 59-64</u>

The Examiner has rejected claims 1-13, 15-33, 43-50, 52-54, 56, 57, and 59-64 under 35 U.S.C. §103(a) as being unpatentable over Rosser (6,446,261, hereinafter

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"Rosser") in view of Kitsukawa et al. (6,282,713, hereinafter "Kitsukawa"). The rejection is traversed.

The test under 35 U.S.C. §103 is not whether an improvement or a use set forth in a patent would have been obvious or non-obvious; rather the test is whether the claimed invention, considered as a whole, would have been obvious. Thus, it is impermissible to focus either on the "gist" or "core" of the invention. Moreover, the invention as a whole is not restricted to the specific subject matter claimed, but also embraces its properties and the problem it solves.

Rosser and Kitsukawa alone or in combination fail to teach or suggest Applicants' invention of at least claim 1 <u>as a whole</u>.

Independent claim 1 recites:

 A method for targeting interactive virtual advertisements, comprising: assigning at least one interactive spot to a program; assigning one or more interactive virtual objects to the at least one virtual advertisement spot, wherein said one or more interactive virtual objects are dynamic;

generating a retrieval plan; and providing the retrieval plan to a terminal, wherein the retrieval plan instructs the terminals to select one of the one or more interactive virtual objects. (Emphasis added.)

Rosser discloses a set top device for targeted electronic insertion of indicia into video. Rosser teaches displaying targeted advertisements in advertising insertion points such as a conventional advertising break, when a viewer changes channel or when a particular image or scene is in view. (See Rosser, col. 13, II. 25-33.)

Alternatively, the targeted advertisement may be inserted on the viewing screen, for example in-programming advertising using an LVIS system, which appears to be part of the program. (See Rosser, col. 14, II. 65-67.)

Nowhere in Rosser is there any teaching or suggestion of Applicants' method or system for targeting interactive virtual advertisements assigning one or more interactive virtual objects to the at least one virtual advertisement spot, wherein said one or more interactive virtual objects are dynamic, as recited in at least claim 1. For example, Applicants' invention teaches that the interactive virtual objects may be a video clip,

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animation or scrolling alphanumeric characters." (See Applicants' specification, p. 9, II. 7-9.) In contrast, Rosser only teaches playing advertisements inbetween programs or in live or pre-recorded programs and not assigning one or more interactive virtual objects to the at least one virtual advertisement spot, wherein said one or more interactive virtual objects are dynamic.

Kitsukawa fails to bridge the substantial gap between Rosser and Applicants' invention. In particular, Kitsukawa only teaches the use of static icons to represent links to advertisements for items in a scene. (See Kitsukawa, col. 8, II. 16-36, FIG. 5.) Nowhere in Kitsukawa is there any teaching or suggestion of Applicants' invention of method or system for targeting interactive virtual advertisements assigning one or more interactive virtual objects to the at least one virtual advertisement spot, wherein said one or more interactive virtual objects are dynamic, as recited in at least claim 1.

Furthermore, Applicants respectfully submit that the Examiner has failed to properly establish Official Notice. Under MPEP 2144.03, the Examiner cannot rely on conclusory statements when dealing with particular combinations of prior art and specific claims, but must set forth the rationale on which it relies. In re Lee, 277 F.3d 1338, 1344-45, 61 USPQ2d 1430, 1434-35 (Fed. Cir. 2002), emphasis added. Moreover, there must be some form of evidence in the record to support an assertion of common knowledge. See Id.

The Examiner's self proclaimed "notoriousness" of various technologies, such as "deleting the identification from memory" in claim 24, "the processed interactive selection is received at the insertion center" in claim 44 and "the interactive virtual object trigger action does not require initiation of the interactive request" in claim 62, is clearly "conclusory". Furthermore, Applicants respectfully submit that it may not be well known to delete the identification from memory, receive the processed interactive selection at the insertion center or the interactive virtual object trigger not requiring initiation of the interactive request. For example, some applications may choose not to delete the identification from memory until a request to delete the identification is Therefore, without supporting evidence the Examiner fails to properly received. establish Official Notice.

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As a result, the Examiner is required to support his or her finding with adequate evidence. Applicants respectfully request that the Examiner to provide references showing the allegedly "notoriously well known" features of Applicants' invention. Alternatively, the Examiner is required by 37 CFR 1.104(d)(2), to support the finding of what is known in the art by providing an affidavit or declaration setting forth specific factual statements and explanation to support the finding.

Therefore, Rosser and Kitsukawa, alone or in combination, do not teach or suggest Applicants' invention of at least claim 1 <u>as a whole</u>. As such, Applicants submit that independent claim 1 is not obvious over Rosser and Kitsukawa and is patentable under 35 U.S.C. §103.

Independent claims 6, 26, 43 and 59 recite relevant limitations similar to those recited in independent claim 1. As such, for at least the same reasons discussed above, Applicants submit that independent claims 6, 26, 43 and 59 also are not obvious and are patentable over Rosser and Kitsukawa under 35 U.S.C. §103. Furthermore claims 2-5, 7-13, 15-25, 27-33, 44-50, 52-54, 56, 57, and 60-64 depend directly or indirectly from independent claims 1, 26, 43 and 59 while adding additional elements. Therefore, these dependent claims also are not obvious and are patentable under 35 U.S.C. §103 for at least the same reasons discussed above in regards to independent claims 1, 26, 43 and 59. Therefore, the rejection should be withdrawn.

B. Claim 14

Claim 14 is rejected under 35 U.S.C. §103(a) as being unpatentable over Rosser and Kitsukawa as applied to claim 13 above, and further in view of Hendricks et al. (5,600,364, hereinafter "Hendricks") and Del Sesto et al. (6,530,082, hereinafter "Sesto"). The rejection is traversed.

This ground of rejection applies only to a dependent claim and is predicated on the validity of the rejection under 35 U.S.C. §103 given Rosser in view of Kitsukawa for the corresponding independent claim. Since the rejection of the corresponding independent claim under 35 U.S.C. §103 has been overcome, as described hereinabove, and there is no argument put forth by the Office Action that Hendricks and DelSesto alone or in combination supply that which is missing from Rosser in view of

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Kitsukawa to render the independent claim obvious, this ground of rejection cannot be maintained. Therefore, the rejection should be withdrawn.

C. <u>Claims 34-42</u>

Claims 34-42 are rejected under 35 U.S.C. §103(a) as being unpatentable over Rosser in view of Kitsukawa and Zigmond et al. (6,698,020, hereinafter "Zigmond"). The rejection is traversed.

For at least the reasons discussed above in response to the Examiner's 35 U.S.C. §103(a) rejection of independent claim 1, Rosser and Kitsukawa alone or in combination fail to teach or suggest Applicants' invention as a whole. In particular, Rosser and Kitsukawa alone or in combination are devoid of any teaching or suggestion of Applicants' invention of a terminal for targeting interactive virtual objects comprising a connector that receives the interactive virtual objects and interactive virtual object locations and metadata, wherein said interactive virtual objects are dynamic, as recited in at least claim 34.

Zigmond fails to bridge the substantial gap between Rosser and Kitsukawa and Applicants' invention. Zigmond only teaches techniques for intelligent video ad insertion. (See Zigmond, Abstract.) Zigmond fails to teach or suggest the use of dynamic interactive virtual objects or even any virtual objects. Consequelty, Zigmond is devoid of any teaching or suggestion of Applicants' claimed a terminal for targeting interactive virtual objects comprising a connector that receives the interactive virtual objects and interactive virtual object locations and metadata, wherein said interactive virtual objects are dynamic.

As such, Applicants submit that independent claim 34 is not obvious and is patentable over Rosser in view of Kitsukawa and Zigmond under 35 U.S.C. §103. Furthermore claims 35-42 depend directly or indirectly from independent claim 34 while adding additional elements. Therefore, these dependent claims also are not obvious and are patentable under 35 U.S.C. §103 for at least the same reasons discussed above in regards to independent claim 34. Therefore, the rejection should be withdrawn.

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D. <u>Claim 51</u>

Claim 51 is rejected under 35 U.S.C. §103(a) as being unpatentable over Rosser and Kitsukawa as applied to claim 50 above, and further in view of DelSesto. The rejection is traversed.

This ground of rejection applies only to a dependent claim and is predicated on the validity of the rejection under 35 U.S.C. §103 given Rosser in view of Kitsukawa for the corresponding independent claim. Since the rejection of the corresponding independent claim under 35 U.S.C. §103 has been overcome, as described hereinabove, and there is no argument put forth by the Office Action that DelSesto supplies that which is missing from Rosser in view of Kitsukawa to render the independent claim obvious, this ground of rejection cannot be maintained. Therefore, the rejection should be withdrawn.

E. Claims 55 and 58

Claims 55 and 58 are rejected under 35 U.S.C. §103(a) as being unpatentable over Rosser and Kitsukawa as applied to claims 43 and 54 above, and further in view of Zigmond. The rejection is traversed.

This ground of rejection applies only to dependent claims and is predicated on the validity of the rejection under 35 U.S.C. §103 given Rosser in view of Kitsukawa for the corresponding independent claim. Since the rejection of the corresponding independent claim under 35 U.S.C. §103 has been overcome, as described hereinabove, and there is no argument put forth by the Office Action that Zigmond supplies that which is missing from Rosser in view of Kitsukawa to render the independent claim obvious, this ground of rejection cannot be maintained. Therefore, the rejection should be withdrawn.

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CONCLUSION

Thus, Applicants submit that none of the claims, presently in the application, are obvious under the provisions of 35 U.S.C. §103. Accordingly, both reconsideration of this application and its swift passage to issue are earnestly solicited.

If, however, the Examiner believes that there are any unresolved issues requiring adverse final action in any of the claims now pending in the application, it is requested that the Examiner telephone Eamon J. Wall or Jimmy Kim, at (732) 530-9404, so that appropriate arrangements can be made for resolving such issues as expeditiously as possible.

Respectfully submitted,

Dated: <u>/ / 3/</u>/○7

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